

## Message Text

CONFIDENTIAL

PAGE 01 GUATEM 05349 122004Z

70

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 L-03 SS-20

NSC-10 SPC-03 DRC-01 /088 W  
----- 102595

R 121910Z NOV 73

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 1237

C O N F I D E N T I A L GUATEMALA 5349

E.O.11652: GDS

TAGS: ETRN, GT

SUBJECT: OCEAN SHIPPING: FLOMERCA REACTION TO DELTA VISIT

REF: GUATEMALA 5313

1. EMBOFF CALLED ON FLOMERCA GENERAL MANAGER MIRON ASCERTAIN REACTION DELTA VISIT AND DETERMINE WHETHER FLOMERCA OFFICIALS HAD PURPOSELY AVOIDED SCHEDULED LUNCHEON (REFTEL). SINCE MIRON DID NOT CONTRADICT IMPRESSION CONVEYED BY EMBOFF THAT FLOMERCA OFFICIALS HAD MET WITH DELTA (MIRON IN FACT WENT SO FAR AS TO RESPOND TO QUESTION ABOUT SUBSTANCE OF CONVERSATION BY SAYING IT WAS "SOCIAL"), WE ASSUME THAT THE NON-SHOW WAS ON PURPOSE.

2. AS TO WHY FLOMERCA AVOIDED DELTA, IT MAY BE THAT MIRON IS TRYING TO SHORE UP HIS LEGAL FLANKS IN LIGHT HIS UNDERSTANDING OUR REGULATIONS. HE STRESSED TO EMBOFF THAT FLOMERCA DOES NOT HAVE ROYALTY ARRANGEMENTS WITH THE TWO LINES IT HAS AUTHORIZED TO SERVICE THE US-CCT AND PAN AMERICAN MAIL. RECOGNIZING THAT FMC WOULD NOT ALLOW ROYALTY ARRANGEMENTS (SINCE IT HAD DISALLOWED CCT ARRANGEMENT) HE TURNED TO CONCEPT OF "ASSOCIATION" WITH FOREIGN LINES. HE CLAIMED FMC HAD ALREADY APPROVED SUCH AN "ASSOCIATION" WITH PAN AMERICAN MAIL AND THAT, ACCORDINGLY, HE HAS PREPARED SIMILAR CONTRACT FOR CCT, WHICH WILL BE SIGNED NOV. 12.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GUATEM 05349 122004Z

3. MIRON OBVIOUSLY PLANS TO PRESENT SUCH APPROVED "ASSOCIA-

TIONS" TO DELTA AS ESTABLISHED PROCEDURE FOR HE RESPONDED TO DIRECT QUESTIONING BY SAYING "ASSOCIATION" WITH DELTA MIGHT LEAVE GULF ROUTES TO DELTA AND NEW YORK TO FLOMERCA. THE CONCEPT GOES BEYOND MERELY APPORTIONING ROUTES, HOWEVER, MIRON NOTED THAT FLOMERCA NETS ABOUT \$400,000 ANNUALLY FROM ITS NEW ORLEANS AND HOUSTON SERVICES, BUT THAT HE WOULD PROBABLY SETTLE FOR LESS FROM AN "ASSOCIATION" SINCE IT WOULD BE "WITHOUT RISK". PRESUMABLY THUS THE ASSOCIATION CONCEPT PERMITS FLOMERCA TO SHARE IN THE PROFITS OF THE ASSOCIATED LINES.

4. MIRON ALSO QUITE OBVIOUSLY WOULD LIKE TO SEE ENTIRE PROBLEM GO AWAY FOR HE REPEATEDLY RETURNED TO THE THEME THAT THERE ISN'T ENOUGH BUSINESS ON THE GUATEMALAN-US ROUTES TO SUSTAIN THE THREE OPERATING LINES PLUS DELTA. HE RECOGNIZES, HOWEVER, THAT IT WON'T GO AWAY AND THUS THROUGH THE ASSOCIATION CONCEPT HOPES TO PREVENT DELTA FROM ATTACKING HIM ON LEGALISMS BEFORE THE FCM.

5. EMBOFF SUGGESTED THAT PROBLEM OF SHIPPING DISCRIMINATION BROADER THAN MERE LEGALISM. HOWEVER, SINCE MIRON'S STRATEGY BEING FORMULATED BY US MARITIME LAWYERS, DETAILED ARGUMENT SEEMED FRUITLESS. EMBASSY ACCORDINGLY WOULD APPRECIATE GUIDANCE, INCLUDING WHETHER FLOMERCA'S FMC APPROVED "ASSOCIATION" WITH PAN AMERICAN MAIL CONSTITUTES A PRECEDENT THAT UNDERMINES DELTA'S DEMANDS FOR ACCESS TO GUATEMALAN MARKET WITHOUT PAYING FOR SUCH ACCESS.

DREYFUSS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARINE TRANSPORTATION, CARGO SHIPS, MEETINGS, VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973GUATEM05349  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** GUATEMALA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731140/aaaabdio.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** GUATEMALA 5313  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31-Jan-2002 by boyleja>; APPROVED <06 MAR 2002 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OCEAN SHIPPING: FLOMERCA REACTION TO DELTA VISIT  
**TAGS:** ETRN, GT  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005